

FAILED: HOUSE BILL 172

INTERPRETING AMBIGUITIES
AND SHORTENED TIMELINES

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In an ambitious effort, the Legislative Action Committee (LAC) tried to combine reserves and fines into one bill in 2014. Unfortunately, that effort failed as the house committee looking at the fine portion of the bill simply could not get past a provision that would have shortened a warning period for fines to 24 hours in some very special circumstances. So, the bill was not voted out of committee and failed.

The fine portion of the bill was made up of two parts. First, there was a complete overhaul of the language to correct some of the interpretive ambiguities that have come up of the last several years and to try to make the fine laws applicable to condominiums and community associations identical. The second part of the bill was driven by the sponsor and it involved shortening the time period for fines, after a warning, in the situation where safety or imminent property damage was at stake. The reserve portion of the bill would have changed some of the current reserve language back to something similar from earlier versions of the law. Specifically, it would have shifted the decision on how much to put into reserves back to the owners, as it was prior to 2013.

The LAC has decided to come back with a revised fine provision for the 2015 legislative session and will attempt to run that bill on its own and without a reserve change. Given the pace of changes in the reserve laws, the LAC decided not to attempt the same changes to reserves in 2015. Rather, it will start a long term effort to study the current law and try to come up with language that will make it easier for associations and owners to know what is required for reserves.



MEMBERS OF UCCAI ATTEND THE ANNUAL LEGISLATIVE LUNCHEON, PHOTO COURTESY OF KIMBER KABLE

FAILED: SENATE BILL 152

HOA RESERVE ACCOUNT
AMENDMENTS

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Senate Bill 152 was an effort by a group outside of the LAC to significantly modify the reserve laws for developers. The current reserve provisions generally do not apply during the developer controlled period. Senate Bill 152 was aimed at forcing developers to put money into association reserves during the period of developer control of an association. Developers would also have to obtain a reserve analysis during this time period. It had a unique way to address the amount of reserves in that it simply required developers to deposit 30% of all assessments collected from owners into a reserve account. This bill never made it to a committee hearing and the LAC suspects it faced strong opposition from the builders and developers. The LAC believes this bill is unlikely to appear again anytime in the near future.